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AUDITORS' REPORT

To the Board of Directors
of Northwest Community Futures Development Corporation

We have audited the statement of financial position of Northwest Community Futures Development Corporation as at March 31, 2010 and the statements of income, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Holm Svenkeson Raiche

North Battleford, Saskatchewan
May 11, 2010

Chartered Accountants

NORTHWEST COMMUNITY FUTURES DEVELOPMENT CORPORATIONStatement of Financial Position
March 31, 2010ASSETS

	Operating <u>Fund</u>	Investment Funds <u>Non-repayable</u>	<u>Disabled</u>	<u>SBLA</u>	2010 <u>Total</u>	2009 <u>Total</u> <i>(Re-stated)</i>
Current						
Cash	\$126,422	\$ 2,001,857	\$ 140,413	\$ 31,308	\$ 2,300,000	\$2,063,578
GST receivable	3,665	309			3,974	3,312
Accounts receivable	150	1,320	44	40	1,554	1,262
Accrued interest receivable		12,523	438	560	13,521	14,390
Inter-fund receivable		121,286				
Current portion of loans receivable (Note 3)		334,626	7,939	15,319	357,884	341,216
Assets held for realization		126,966			126,966	134,005
Prepaid expenses	<u>7,719</u>				<u>7,719</u>	<u>18,528</u>
	137,956	2,598,887	148,834	47,227	2,811,618	2,576,291
Investments						
Loans receivable, net of allowance for credit loss (Note 3, 4)		1,011,611	31,431	49,196	1,092,238	1,273,842
Capital (Note 5)	<u>58,579</u>				<u>58,579</u>	<u>69,773</u>
	<u>\$ 196,535</u>	<u>\$ 3,610,498</u>	<u>\$ 180,265</u>	<u>\$ 96,423</u>	<u>\$ 3,962,435</u>	<u>\$ 3,919,906</u>

LIABILITIES

Current						
Accounts payable and accrued liabilities	\$ 18,743				\$ 18,743	\$ 20,682
Inter-fund payable	<u>121,286</u>					
	140,029				18,743	20,682
Long-term						
Loan from Western Economic Diversification (Note 6)			\$ 200,000		200,000	200,000
Long-term accrued payable				\$ 64,515	64,515	89,489
	<u>140,029</u>		<u>200,000</u>	<u>64,515</u>	<u>283,258</u>	<u>310,171</u>
Commitments (Note 7)						

NET ASSETS

Contributed surplus (Note 8)		\$ 1,840,000			1,840,000	1,840,000
Externally restricted		1,770,498	(19,735)		1,750,763	1,713,497
Invested in capital assets (Note 9)	58,579				58,579	69,773
Unrestricted	<u>(2,073)</u>			<u>31,908</u>	<u>29,835</u>	<u>(13,535)</u>
	<u>56,506</u>	<u>3,610,498</u>	<u>(19,735)</u>	<u>31,908</u>	<u>3,679,177</u>	<u>3,609,735</u>
	<u>\$ 196,535</u>	<u>\$ 3,610,498</u>	<u>\$ 180,265</u>	<u>\$ 96,423</u>	<u>\$ 3,962,435</u>	<u>\$ 3,919,906</u>

Approved by the Board:

Director

NORTHWEST COMMUNITY FUTURES DEVELOPMENT CORPORATION**Statement of Income - Operating Fund
for the year ended March 31, 2010**

	<u>2010</u>	<u>2009</u> <i>(Re-stated)</i>
Revenue		
WD contribution	\$ 297,669	\$ 291,832
Service and other income	70,363	37,335
Bank interest	2,259	5,075
Loss on disposal of property and equipment	<u>(11,015)</u>	<u>(6,362)</u>
	<u>359,276</u>	<u>327,880</u>
Expenses		
Advertising and promotion	12,288	15,088
Amortization	11,064	18,007
Automotive, conferences and travel	11,078	8,947
Board of directors	41,436	14,742
Insurance	7,029	7,205
Loan - legal and other fees	2,733	2,784
Miscellaneous	3,458	8,330
Office rent	28,167	29,060
Office supplies	7,659	5,457
Other program delivery costs	18,727	11,086
Postage and courier	867	1,048
Professional fees	7,830	8,508
Repairs, maintenance and equipment rent	21,339	22,962
Salaries, contracts and benefits	177,977	165,399
Special events	10,002	11,900
Telephone	9,109	12,096
Utilities	3,328	3,405
YBEX	<u>3,388</u>	<u>6,546</u>
	<u>377,479</u>	<u>352,570</u>
Deficiency of revenue over expenses	\$ <u>(18,203)</u>	\$ <u>(24,690)</u>

NORTHWEST COMMUNITY FUTURES DEVELOPMENT CORPORATION**Statement of Changes in Operating Fund Net Assets
for the year ended March 31, 2010**

	<u>Unrestricted</u>	<u>Invested in Capital assets</u>	<u>2010 Total</u>	<u>2009 Total</u>
Net assets at beginning of year as previously reported	\$ 13,747		\$ 13,747	\$ 34,937
Change in accounting policy (Note 12)				
- contributed surplus	15,500		15,500	19,000
- transfer to equity in capital assets	(69,773)	\$ 69,773	—	—
Net assets at beginning of year as restated	(40,526)	69,773	29,247	53,937
Deficiency of revenue over expenses	3,876	(22,079)	(18,203)	(24,690)
Purchase of capital assets	(10,885)	10,885		
Transfer from investment fund	<u>45,462</u>	—	<u>45,462</u>	—
Net assets at end of year	\$ <u>(2,073)</u>	\$ <u>58,579</u>	\$ <u>56,506</u>	\$ <u>29,247</u>

NORTHWEST COMMUNITY FUTURES DEVELOPMENT CORPORATIONStatement of Income and Changes in Investment Funds Net Assets
for the year ended March 31, 2010

	<u>Loan Investment Funds</u>			2010	2009
	<u>Non-repayable</u>	<u>Disabled</u>	<u>SBLA</u>	<u>Total</u>	<u>Total</u>
Revenue					
Bank interest	\$ 14,707	\$ 738	\$ 148	\$ 15,593	\$ 50,240
Investment interest	96,460	1,306	4,729	102,495	106,730
Other income	<u> </u>	<u> </u>	<u>40</u>	<u>40</u>	<u>314</u>
	<u>111,167</u>	<u>2,044</u>	<u>4,917</u>	<u>118,128</u>	<u>157,284</u>
Expenses					
Professional fees					195
Provision for credit losses (Note 4)	<u>30,483</u>			<u>30,483</u>	<u>7,510</u>
	<u>30,483</u>			<u>30,483</u>	<u>7,705</u>
Excess of revenue over expenses	80,684	2,044	4,917	87,645	149,579
Net assets at beginning of year	<u>1,735,276</u>	<u>(21,779)</u>	<u>26,991</u>	<u>1,740,488</u>	<u>1,590,909</u>
	1,815,960	(19,735)	31,908	1,828,133	1,740,488
Transfer to operating fund	<u>(45,462)</u>	<u> </u>	<u> </u>	<u>(45,462)</u>	<u> </u>
Net assets at end of year	<u>\$ 1,770,498</u>	<u>\$ (19,735)</u>	<u>\$ 31,908</u>	<u>\$ 1,782,671</u>	<u>\$ 1,740,488</u>

NORTHWEST COMMUNITY FUTURES DEVELOPMENT CORPORATION**Statement of Cash Flows**
for the year ended March 31, 2010

	<u>2010</u>	<u>2009</u>
Sources of cash		
WD contribution	\$ 297,669	\$ 291,832
Interest income	120,127	151,261
Other income	70,013	52,345
Investment loan repayment	421,745	360,975
Advances from Enterprise Saskatchewan		75,000
Proceeds from disposal of capital assets	<u>1,525</u>	<u>830</u>
	<u>911,079</u>	<u>932,243</u>
Uses of cash		
Salaries and benefits	177,977	165,399
Materials and services	194,328	172,998
Purchase of capital assets	12,410	1,833
Investment loan advances	264,968	712,620
Repayment to Enterprise Saskatchewan	<u>24,974</u>	<u>32,305</u>
	<u>674,657</u>	<u>1,085,155</u>
Net cash provided (used) in the year	236,422	(152,912)
Cash and cash equivalents at beginning of year	2,063,578	2,216,490
Cash and cash equivalents at end of year	\$ <u>2,300,000</u>	\$ <u>2,063,578</u>
Cash and cash equivalents		
Cash and cash equivalents consists of cash on hand, balances and loans with financial institutions. Cash and cash equivalents included in the cash flow statement is comprised of the following statement of financial position amount:		
Cash	\$ <u>2,300,000</u>	\$ <u>2,063,578</u>